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AMERICAN RAILWAY ASSOCIATION

PROGRAM OF THE RAILROADS TO PROVIDE ADEQUATE TRANSPORTATION SERVICE IN 1923

New York, N. Y.
April 5, 1923



CONSTRUCTIVE TRANSPORTATION PROGRAM FOR 1923

The following statement was authorized and the following resolutions adopted at a Member Meeting of the American Railway Association and were approved at a Member Meeting of the Association of Railway Executives, both meetings being held in New York City, April 5, 1923.

Despite the obstacles placed in the way of an efficient transportation service by the cumulative effect of the Coal Miners' strike beginning April 1, 1922, and the Shopmen's strike, beginning July 1, 1922, the railroads, as shown by the report of the Car Service Division of the American Railway Association hereto appended, have, between July 1, 1922, and March 17, 1923,—a period of 37 weeks—handled the greatest volume of traffic ever transported in the history of the country during any corresponding period of thirty-seven weeks.

CARS OF REVENUE FREIGHT LOADED 37 WEEKS JULY 1st, 1922, TO MARCH 17th, 1923

	1922	1921	1920	1919	1918
37 WEEKS	32,939,789	28,879,325	31,312,945	31,668,856	30,819,593

Anticipating a still larger development in agriculture and other departments of industry with the resulting increase in tonnage, and for the purpose of meeting the demands of commerce in an adequate and efficient manner, individual railroads, in the fourteen months from January 1st, 1922, to March 15th, 1923, have purchased an aggregate of

223,616 new freight cars, of which

117,280 have been delivered and put in service, and on March 15th, 106,336 were on contract for delivery during 1923; and in the same period, have also placed in service or purchased an aggregate of

4,219 new locomotives, of which

2,106 have been placed in service, and

on March 15th, 2,113 were on contract for delivery during 1923.

The numbers given, both as to new cars and new locomotives, are exclusive of subsequent orders which it is anticipated will be placed during the current year.

The significance and importance of these figures will be appreciated when it is remembered that the average number of new cars and new locomotives added over a period of ten years, 1913 to 1922 inclusive, has been

101,009 New Cars per year
1,960 New Locomotives per year

and that during the two years and two months of Federal Control there were purchased a total of

100,000 New Cars or approximately 46,000 per year
1,930 New Locomotives or approximately 890 per year

Aggregate carrying capacity of freight cars increased in the ten year period 1912 to 1921 inclusive, 22.9%; and aggregate tractive power locomotives increased during same period 40.8%.

The railroads in full realization of the necessity for the greatest improvement and expansion possible of the country's transportation facilities to meet the growing demands of commerce, actually expended in the year 1922—

For Cars	\$200,000,000
For Locomotives	45,000,000
For trackage and other facilities	<u>195,000,000</u>
Total.....	\$440,000,000

The railroads have authorized expenditures for equipment and other facilities of approximately \$1,100,000,000 for the year 1923, divided as follows:

For Cars	\$515,000,000
For Locomotives	160,000,000
For trackage and other facilities	<u>425,000,000</u>
Total.....	\$1,100,000,000

The railroads of the country are raising this enormous amount of additional capital largely through borrowed money on the abiding faith in the fairness of the American people and reliance on the continuance of the policy announced in the Transportation Act, 1920, as a measure of reasonable protection to investment in railroad property.

In order to bring about the most effective cooperation between the managements of the several carriers and to insure, to the highest degree practicable, adequate provision for the country's transportation requirements, a plan has been agreed upon which is set out in the following resolutions.

RESOLVED, First: That the report of the Car Service Division reviewing transportation conditions and presented at this meeting be approved, and that, in order to further improve transportation conditions and to make the best practicable provision to meet transportation requirements as they develop, the following recommendations are adopted by the railroads as a definite policy and working program:

1. That by October 1, 1923, when the peak movement ordinarily begins, cars awaiting repairs be reduced to the normal basis of five per cent of the total equipment of the country.
2. That by October 1, 1923, locomotives awaiting heavy repairs be reduced to the normal basis for the entire country of fifteen per cent.
3. That to the extent coal is stored for railroad use complete the storage requirements by September 1st so that after that date the equipment and other transportation facilities may be used to the greatest extent for commercial coal necessities.
4. That the use of power and equipment for railroad construction and maintenance purposes be restricted to the minimum after September 1st in order that a maximum of power and equipment may be available for commercial purposes.
5. That railroads in producing and consuming sections impress upon all interested necessity for movement of coal and ore via the Lakes in the largest possible quantity early in the season. That railroads serving upper Lake ports carry on campaign for early purchase and shipment of coal from the upper lake docks to points of consumption.
6. That an effort be also made to bring about the prosecution of road and building construction work as early in the season as possible in order that equipment may be available for larger movement of seasonal commodities.
7. That all interested be impressed with the necessity for loading all cars to maximum capacity in an effort to bring the average loading to thirty tons per car for the entire country; for unloading cars promptly; increasing storage facilities where necessary and practicable and providing adequate siding capacity to facilitate loading and unloading, thereby increasing the number of available cars.
8. That every possible means be adopted to increase the mileage per car per day to an average of thirty for the entire country, particular attention being given to prompt movement through terminals and yards and to the issuance of embargoes when necessary to prevent congestion.

CO-OPERATION OF SHIPPERS AND THE PUBLIC IN THE PAST HAS BEEN MOST HELPFUL IN BRINGING ABOUT HEAVIER LOADING, PROMPT UNLOADING AND INCREASED MILEAGE PER CAR, AND ONLY BY THEIR CONTINUED COOPERATION AND THEIR FULL KNOWLEDGE OF WHAT THIS MEANS TO THEIR OWN TRANSPORTATION REQUIREMENTS CAN RESULTS BE SECURED IN THESE MATTERS. IT WILL BE UNDERSTOOD THAT EACH INDIVIDUAL RAILROAD WILL COOPERATE WITH ITS OWN SHIPPERS TO THIS END AND THE CAR SERVICE DIVISION WILL TAKE SIMILAR ACTION WITH NATIONAL AND DISTRICT ASSOCIATIONS TO BRING ABOUT THE FULLEST MEASURE OF COOPERATIVE EFFORT.

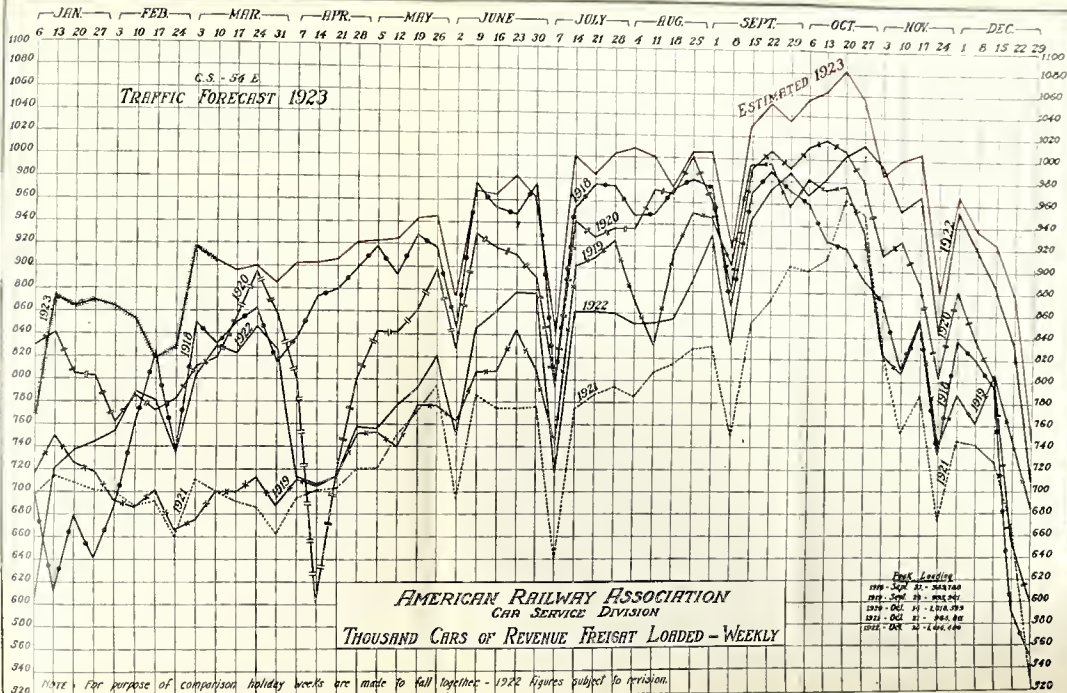
9. In the event of a car shortage, reports to the Car Service Division should be carefully reviewed by each railroad organization so that the report will more nearly indicate the actual car shortage measured by the ability to load daily, rather than a cumulative shortage which does not reflect the daily existing condition.
10. The railroads have already established and have in active and effective operation a comprehensive organization in the Car Service Division for the central control and distribution of freight cars which, during recent periods of car shortage, has under difficult conditions, secured to the public the best possible use of available freight equipment. The Car Service Division as a central agency, and through their District Managers, together with the District Shippers Committees, which have been and are being organized, will keep informed of traffic requirements with a view to the equitable and timely distribution and handling of equipment.

The railroads pledge themselves to renewed and effective compliance and cooperation with the directions of the Car Service Division, asserting the belief that, with the new equipment on order and the program for rapid conditioning of equipment requiring repairs, the freight equipment of the railroads will be handled and used in moving the commerce of the country to the best possible advantage.

The cooperation of the public with the railroads and their officers and employees generally is invited in order that by a better understanding and united effort transportation may be facilitated and the needs of the country more promptly and adequately provided for.

RESOLVED, Second: That individual roads give to the general public

and to the patrons of their respective lines information as to their program, and also keep them currently advised of the progress made hereunder, including, so far as the individual line is concerned, information as to the progress made in its locomotive and car repairs and other improvements in transportation facilities.





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AMERICAN RAILWAY ASSOCIATION

CAR SERVICE DIVISION
718 EIGHTEENTH ST., N. W.
WASHINGTON, D. C.

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J. M. EGAN, Manager Refrigerator Dept.
431 South Dearborn St., CHICAGO

March 25, 1923.

Mr. R. H. Aishton:
President,
American Railway Association.

REPORT AND RECOMMENDATION OF THE CAR SERVICE DIVISION

Dear Sir:

The Car Service Division has made a review of the conditions it has faced and those which have confronted the railroads in the handling of equipment during the past year and in the light of that review and their previous experience, wish to make the following report together with certain recommendations:

1. CAR LOADING. The loading during the year 1922 compared with the year 1920 and 1921 is as follows:

	1920	1921	1922	1923
Grain and Grain Products.....	1,843,018	2,292,779	2,467,358	
Live Stock.....	1,553,424	1,496,923	1,637,923	
Coal.....	10,082,450	7,975,341	7,448,341	
Coke.....	647,704	318,289	490,864	
Forest Products.....	3,057,730	2,486,581	2,939,046	
Ore.....	2,410,229	906,842	1,586,396	
Merchandise—L. C. L.....	9,012,511	11,010,090	11,877,812	
Miscellaneous.....	<u>16,511,406</u>	<u>12,836,308</u>	<u>15,265,779</u>	
TOTAL.....	45,118,472	39,323,158	43,713,519	
TOTAL JAN. 1st to MARCH 17th.....	8,869,209	7,666,196	8,242,088	9,474,66

This indicates, with the exception of coal, coke, ore, forest products and miscellaneous that the railroads handled a heavier business during 1922 than was handled in any previous year in spite of the handicaps caused by the strike of the miners and the shop crafts. The increase is particularly noticeable in grain and grain products. The loading in the last quarter of 1922 and in 1923 to date shows very marked increases over any previous year.

CARS REVENUE FREIGHT LOADED 37 WEEKS FROM JULY 1st, 1922, TO MARCH 17th, 1923

	1922	1921	1920	1919	1918
37 Weeks	32,939,789	28,879,325	31,312,945	31,668,856	30,819,593

2. CAR SUPPLY. There was reported during the first eight months of 1922 an average daily surplus of equipment of 270,750 cars. The severe reported shortage began at 58,670 on September 1st, and reached a peak point of 179,239 cars, on October 31st, since which time it has receded to 74,442 cars, on March 15, 1923.

The demand for all classes of equipment continues without any indications of lessening at this date. There still remains considerable grain to move from the country elevators and farms, and a very heavy fertilizer movement is under way, particularly in the Southern territory.

Forest Products loading continues heavy with prospects good for sustained heavy movement.

3. PROSPECTIVE BUSINESS—1923. The loading since January 1, 1923, is running well ahead of any of the three previous years. From the best information obtainable by the Car Service Division from railroad and other sources, there is every indication that there will be continued heavy business throughout the year. The chart attached shows loading for a five year period and the estimated loading during the year 1923, based upon the assumption that business will continue to increase at the same rate as shown by the first nine weeks of 1923 over the corresponding periods of the weekly average for the past four years.

NEW EQUIPMENT. Freight cars put in service year 1922.

	Box	Refrs.	Coal	Stock	Flat	Others	Total
Railroad.....	27,613	6,519	37,604	2,539	2,074	872	77,221
R. R. Owned Private Refr. Companies	_____	<u>9,129</u>	_____	_____	_____	_____	<u>9,129</u>
TOTAL.....	27,613	15,648	37,604	2,539	2,074	872	86,350

New freight cars put in service Jan. 1st to March 15th, 1923

Railroad.....	13,424	1,941	12,159	1,103	500	279	29,406
R. R. Owned Private Refr. Companies.....	_____	<u>1,524</u>	_____	_____	_____	_____	<u>1,524</u>
TOTAL.....	13,424	3,465	12,159	1,103	500	279	30,930

New freight cars on order March 15th, 1923

Railroad.....	50,281	3,821	36,498	2,169	1,648	962	95,379
R. R. Owned Private Refr. Companies.....	_____	<u>10,957</u>	_____	_____	_____	_____	<u>10,957</u>
TOTAL.....	50,281	14,778	36,498	2,169	1,648	962	106,336

Total put in service and on order 1923

63,705 18,243 48,657 3,272 2,148 1,241 137,266

NEW LOCOMOTIVES

Locomotives put in service year 1922.....	1,379
Locomotives put in service Jan. 1st to Mar. 15th, 1923	727
Locomotives on order March 15th, 1923.....	2,113
Locomotives put in service and on order 1923.....	2,840

RECOMMENDATIONS

1. REPAIRS OF EQUIPMENT. The following indicates the percentage of freight equipment awaiting repairs as of dates shown:

		All Freight Cars Awaiting Repairs		
		<u>Heavy</u>	<u>Light</u>	<u>Total</u>
January	1, 1922.	11.3%	2.4%	13.7%
July	1, 1922.	11.6%	2.7%	14.3%
January	1, 1923.	7.2%	2.3%	9.5%
February	1, 1923.	6.9%	2.3%	9.2%
March	1, 1923.	6.9%	2.6%	9.5%
March	15, 1923.	6.9%	2.4%	9.3%

NOTE: 98,422 SERVICEABLE FREIGHT CARS WOULD HAVE BEEN ADDED TO THE AVAILABLE SUPPLY IF PERCENTAGE OF CARS AWAITING REPAIRS WAS REDUCED TO 5% INSTEAD OF 9.3% AS ON MARCH 15, 1923.

We recommend there be a continuous campaign for the reduction of the cars awaiting repairs so that there will be on October 1, 1923, not in excess of an average of five per cent of the equipment of the entire country awaiting repairs. This repair program should be prosecuted with a view to conditioning for grain and grain products movement the largest possible number of box cars.

AWAITING RETIREMENT. As the present report of cars awaiting repairs includes some cars that will not be repaired, but are held awaiting opportune time for retirement, we recommend they be eliminated entirely from the report and deducted from the ownership, or shown as a separate item, so that the figures indicating the cars awaiting repairs will reflect the correct situation in that respect.

REFRIGERATOR CARS. There is a continuously increasing demand for refrigerator equipment over the entire country, and we recommend that extraordinary measures be taken to reduce refrigerator car equipment awaiting repairs to the lowest possible limit.

2. LOCOMOTIVE REPAIRS. The following shows the condition of power on the dates indicated:

		<u>AWAITING REPAIRS</u>		
		<u>Heavy</u>	<u>Light</u>	<u>Total</u>
January	1, 1922.	18.7%	5.1%	23.8%
July	1, 1922.	17.6%	4.8%	22.4%
January	1, 1923.	21.1%	3.0%	24.1%
February	1, 1923.	21.0%	2.9%	23.9%
March	1, 1923.	20.8%	3.0%	23.8%
March	15, 1923.	21.6%	2.6%	24.2%

NOTE: 4,244 SERVICEABLE LOCOMOTIVES WOULD BE ADDED TO THE AVAILABLE SUPPLY IF PERCENTAGE OF LOCOMOTIVES AWAITING HEAVY REPAIRS WAS REDUCED TO 15% INSTEAD OF 21.6% AS ON MARCH 15, 1923.

We recommend a program calling for a reduction of the locomotives awaiting heavy repairs to a total average for the entire country of 15% by October 1, 1923.

3. STORAGE COAL. In the interest of making available the greatest possible supply of equipment at the time of greatest peak transportation demand in the Fall months, we recommend that the railroads' program for coal storage be so arranged as to complete this storage by September 1st.

4. USE OF EQUIPMENT BY RAILROADS. It is recommended that there be a very close supervision over equipment used by railroads to the end—

- (a) That construction work be planned so that the equipment required for commercial purposes in the Fall, at time of peak demand, will not be tied up in railroad construction work, to a greater extent than is absolutely necessary.
- (b) That railroads require that in the loading of equipment with their own material that full car capacity is utilized with a view of reducing to the minimum the number of cars in this service.
- (c) That there be no unnecessary delay in the unloading of railroad material. There is a greater necessity for supervision over this than over the unloading of commercial traffic.

5. ELIMINATION OF RAILROAD DELAYS. We recommend that every practical means be adopted to prevent unnecessarily tying up equipment by—
- (a) Reducing the delays in the movement of loaded and empty equipment and giving particular attention to the movement of refrigerator cars, the demand for which is constantly increasing over the entire country.

If all cars owned by all Class One Railroads had been moved at the rate of 30 miles per car per day during months of September, October and November, 1922, instead of the average actually made of 25.9 miles per car per day, IT WOULD HAVE IN EFFECT RESULTED IN ADDING 334,681 CARS TO THE OWNERSHIP.

- (b) Embargoing promptly consignees delaying the unloading of equipment.
- (c) Embargoing without delay receipt of traffic from connections beyond the railroad's ability to accept and move cars promptly.
- (d) Line responsible for disability which makes an embargo necessary should assume that responsibility and issue embargo promptly to prevent congestion and without making it necessary for its connections to issue an embargo on their own initiative due to another line's disability and its failure to promptly embargo.

Eliminate entirely where practicable, or curtail to the greatest possible extent, use of permits for traffic against an embargo, which practice tends to defeat the purpose of an embargo, thus preventing the prompt clearing of a congestion.

6. COOPERATION WITH THE PUBLIC. We recommend that each railroad conduct a campaign with its own shippers in the interest of continuing the effective cooperation in conservation of equipment by impressing upon them the necessity for—

- (a) Loading equipment as near to its capacity as is practicable with the various classes of commodities, thereby reducing the number of cars required and likewise reducing empty mileage in the return of equipment to producing districts.

IF ALL THE CARS THAT WERE LOADED DURING SEPTEMBER, OCTOBER AND NOVEMBER, 1922, HAD BEEN LOADED TO AVERAGE OF 30 TONS PER CAR (a figure heretofore attained) INSTEAD OF THE ACTUAL AVERAGE OF 27.7 TONS PER CAR IT WOULD IN EFFECT HAVE ADDED 188,357 CARS TO THE OWNERSHIP.

- (b) Restricting so far as practicable the number of cars shipped under "to order bills-of-lading," which invariably causes delays to the equipment at destination.
- (c) Limiting the reconsignment of traffic to the greatest possible or practicable extent.
- (d) Unloading cars promptly as possible.
- (e) Increasing storage facilities where necessary and practicable and providing adequate siding capacity to facilitate loading and unloading, thereby increasing the number of available cars.
- (f) Not ordering cars beyond ability to load daily.
- (g) Proceeding early in the season with programs for road and building construction, coal storage by industries and public utilities, movement of Lake coal to the Northwest and ore to Lower Lake ports; the successful carrying out of which plans should reduce the peak movement to considerable extent in the months of September, October and November.

7. CAR DISTRIBUTION. We recommend that reports of cars ordered by shippers be carefully reviewed with a view of preventing inflation in reports made to the Car Service Division and which reports do not cor-

rectly reflect the actual situation. Carrying out of the plan now under way for elimination of the inflation in coal mine ratings will go far toward giving a correct indication of such coal car shortage as may exist. Similar action with all classes of traffic not only is desirable but necessary. Car shortage should represent only the actual number of cars a shipper has ability to load and ship daily.

The Car Service Division, through its District Managers with the assistance of shippers' committees, will endeavor to keep informed of the traffic demands in the various territories with a view of anticipating the equipment necessities in the various Districts and planning in advance to meet such demands.

We recommend that each railroad carry on a campaign with all the shippers interested as recommended herein in the interest of a more complete cooperation to better meet the transportation needs.

Yours very truly,

CAR SERVICE DIVISION.

By M. J. GORMLEY,

Chairman.